



DOJ Finds Evidence Of PPP Loan Fraud

BY PYMNTS
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Amid rising criticism over the loan effort, the Department Of Justice has reportedly discovered potential fraud among companies seeking relief with the Paycheck Protection Program (PPP). Assistant Attorney General Brian Benczkowski said prosecutors have reached out to 15 to 20 of the biggest loan processors and the Small Business Administration (SBA), [Bloomberg](#) reported.

Benczkowski said per the report, “Whenever there’s a trillion dollars out on the street that quickly, the fraudsters are going to come out of the woodwork in an attempt to get access to that money.” The probe has surfaced multiple warning signs in information prosecutors have looked at during the last week. Problems were reportedly found in applications that received the green light and those not.

analytics for over 10 years to find criminal activities linked to Medicare in addition to other federal programs. Prosecutors decide whom to look into by watching for rises in Medicare billing in particular regions.

Even so, blatant exhibits of fraud or actions that are legally questionable haven't come to light publicly. To issue the loans, financial institutions were provided with broad discretion, and the effort's guidelines were not written firmly.

But, as previously reported, companies that took in Paycheck Protection Program loans could [encounter](#) probes if they don't meet the criteria for coronavirus relief, U.S. Treasury Secretary Steven Mnuchin said in April.

Some of the larger companies receiving loans qualified during the self-certification step of the PPP process but may not in fact, need the money to stay on an even keel over the coronavirus pandemic per Mnuchin.

The PPP makes companies certify that "current economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant."

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Will Consumers Pay \$50 for Drugstore Brand Sunscreen?

BY **PYMNTS**
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Inflation might be cooling but it hasn't worn off yet, especially as consumers continue to purchase products that can essentially be dubbed "in demand." Take Olay's new SPF 30 mineral sunscreen for sensitive skin, which was reportedly found to retail for \$50 in stores.

In a recent [TikTok post](#), Andrea Suarez, a dermatologist based in Houston, expressed disbelief as she discovered a 1.7-ounce size of Olay's new SPF 30 mineral sunscreen for sensitive skin priced at \$49.99. A Glossy report noted the post [appeared](#) to have been filmed at a Walgreens location.

Earlier this week, PYMNTS reported that as consumers make cutbacks prices are being slashed — but only on the items they are cutting back on. This trend has created a ripple effect in the market.

Meanwhile, beauty products continue to see price hikes.

Read more: [Inflation Cools as Consumers Continue Cutbacks](#)

The Appeal of Private Label, Generic or Drugstore Brands

Private-label brands have long been considered a generic alternative to premium brands. The same can be said for brands found at drugstores, as consumers often turn to them as a last resort when they can't find the brand they're looking for, or when their preferred brands are out of their price range.



their cost-effective purchases on social media.

Furthermore, consumers are willing to seek out economical options that deliver similar outcomes to expensive products. For instance, they are turning to alternatives like the [Shark FlexStyle Air Drying & Styling System](#), which costs \$299.99, instead of the \$600 Dyson Airwrap. Similarly, they are choosing the \$10 [e.l.f. Poreless Putty Primer](#) over Tatcha's \$54 Silk Canvas Protective Primer.

Consequently, private labels are looking to benefit from these trends by expanding their product range or enhancing product quality, providing a premium version under their label.

As a result, consumers are now finding themselves in the same price predicament but with a new name — the “premiumization” of private label brands.

See also: [Dupe, Private Label, Call It What You Want, Consumers Want More](#)

Olay's \$50 sunscreen has garnered significant attention on social media and online forums, not specifically about Olay but drugstore beauty brand price hikes in general.

The [BeautyGuruChatter subreddit](#) frequently features posts from users expressing dissatisfaction with drugstore prices. In February of this year, one user expressed surprise at the \$20 cost of a NYX primer, while a post in November 2022 lamented the “death of drugstore pricing” and criticized NYX Cosmetics, Makeup Revolution and e.l.f. Beauty for becoming too expensive. The post stated, “I'm disappointed that \$15 no longer seems to offer good value.”

Dupes in the Grocery Aisle

While private labels in the grocery aisle are not new, consumers are seeing more private-label alternatives in items like mac and cheese, ketchup and pasta sauce. Reacting to this trend, Dollar General announced in March that it would be beefing up its own private-label selection in a bid to better compete with retail giants like Walmart.

“We're seeing shopping behaviors indicative of this environment,” [Jeff Owen](#), chief executive officer, said at the time of the announcement. “We continue to see customers shift spending to more affordable options, including our private brands, which represent more than 20% of our total sales within consumables. Private brand growth, both in absolute dollars and penetration, was the highest in the fourth quarter.”

See: [Dollar General Takes Aim at Walmart, Beefs Up Private-Label Brands and Perishables](#)

Consumers Cautious About Inflation

PYMNTS research indicates that while inflation has decreased slightly since its peak in July 2021, 70% of grocery shoppers and [67% of retail customers anticipate significant price increases](#) in the

The study also discovered that consumers were 21% more inclined to cut back on spending for retail items compared to groceries. Approximately 6 out of 10 consumers reported [switching to less expensive retailers](#), while 35% chose to sacrifice product quality for cheaper goods.

The Federal Reserve's recently-released "[Survey of Consumer Expectations](#)" indicated Americans believe inflation will continue for an extended period. However, these expectations have been slightly tempered.

According to the data, consumers are projecting a 4.4% increase in inflation in the upcoming year, which is better than the 4.7% forecast in the Fed's March survey of consumers.

Moreover, the report revealed that median household spending growth expectations decreased from 5.7% in March to 5.2% last month, marking the lowest reading since September 2021. The Fed highlighted that this decline was primarily caused by respondents with a household income exceeding \$50,000, as they anticipate a decrease in spending.

Where Premium Labels Stands to Go

While it's probably safe to say that \$50 for a drugstore sunscreen alternative is ludicrous, retailers may want to see if consumers are willing to pay for products with such a markup. Glossy cited an [Olay representative](#) saying that while the official manufacturer's suggested retail price for the Olay Sensitive Mineral Sunscreen with SPF 30 is \$29.99, pricing is at the discretion of the retailer.

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